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E-Filing

11 UNITED STATES DISTRICT COURT  
12 NORTHERN DISTRICT OF CALIFORNIA

CW

13 SAN FRANCISCO DIVISION

14 **C 06 0964**

15 NeilMed Products, Inc.,

Case No.

16 Plaintiff,

**COMPLAINT FOR**

17 v.

18 Med-Systems, Inc.,

19 Defendant.

- 20 1. Declaratory Judgment Against Defendant's  
21 Claim of Federal Trademark Infringement;
- 22 2. Declaratory Judgment Against Defendant's  
23 Claim of Federal Trademark Dilution;
- 24 3. Declaratory Judgment Against Defendant's  
25 Claim of Federal Unfair Competition; and
- 26 4. Declaratory Judgment of Plaintiff's Right  
27 to Use the Marks SINUS RINSE and  
28 NEILMED'S SINUS RINSE A  
COMPLETE SALINE NASAL RINSE  
KIT (Stylized) on Pharmaceutical  
Preparations For the Treatment of Nasal  
and Sinus Ailments

**DEMAND FOR JURY TRIAL**

1 Plaintiff NeilMed Products, Inc. ("NeilMed"), for its Complaint against Defendant Med-  
2 Systems, Inc. ("Med-Systems"), hereby states and alleges as follows:

3 **NATURE OF THE ACTION**

4 1. This action arises under the Trademark Act of 1946, 15 U.S.C. § 1051 *et seq.* (as  
5 amended) and the Federal Declaratory Judgment Act, 28 U.S.C. §§ 2201–02. This is an action for  
6 declaratory judgment and relief for the purpose of questions of actual controversy between the  
7 parties and which seeks the remedies and relief provided in 28 U.S.C. §§ 2201–02 and 15 U.S.C.  
8 § 1051 *et seq.*

9 **PARTIES**

10 2. Plaintiff NeilMed is a corporation organized and existing under the laws of the State  
11 of California with a place of business at 1221 Farmers Lane, Santa Rosa, California 95405.

12 3. Upon information and belief, Defendant Med-Systems is a corporation organized and  
13 existing under the laws of the State of Washington with a principal place of business in Madison,  
14 Wisconsin. Upon information and belief, Med-Systems has a physical address in Madison,  
15 Wisconsin, but refuses to disclose it, claiming instead "a principal address of P.O. Box 45634,  
16 Madison, Wisconsin 53744."

17 **JURISDICTION AND VENUE**

18 4. Plaintiffs incorporate by reference and reallege the allegations set forth in paragraphs  
19 1 through 3 as though set forth in their entirety herein.

20 5. This Court has subject matter jurisdiction under 15 U.S.C. § 1121 and 28 U.S.C.  
21 §§ 1331, 1338, and 1367. The claims alleged in this Complaint arise under the Federal Declaratory  
22 Judgment Act, 28 U.S.C. §§ 2201–02, and the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*

23 6. On information and belief, this Court has personal jurisdiction over Med-Systems  
24 because Med-Systems' activities in this state and in this judicial district are substantial, continuous,  
25 and systematic. On information and belief, consumers in this state and in this judicial district can  
26 purchase Med-Systems' SinuCleanse product on the Internet. On information and belief, Med-  
27 Systems offers its SinuCleanse product for sale in Walgreens stores throughout this state and this  
28 judicial district, including at least 100 Walgreens stores within twenty-five miles of San Francisco,

California. On information and belief, Med-Systems offers its SinuCleanse product for sale in Longs Drugs stores throughout this state and this judicial district, including at least thirty Longs Drugs stores in or near San Francisco County. On information and belief, Med-Systems has purposefully availed itself of the privilege of conducting business in this state. On information and belief, Med-Systems has appointed an agent for service of process in this state. NeilMed's claims arise from Med-Systems' activities in this state and in this judicial district. On information and belief, and in light of all of the foregoing, the exercise of jurisdiction in this state is reasonable.

7. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c). Venue is proper under 28 U.S.C. § 1391(b) because Med-Systems resides in this district, and because a substantial part of the events or omissions giving rise to NeilMed's claims occurred in this district. Med-Systems is deemed to reside in this district pursuant to 28 U.S.C. § 1391(c) because Med-Systems is subject to personal jurisdiction in this state, and because Med-Systems' contacts with this district would be sufficient to subject Med-Systems to personal jurisdiction if this district were a separate state.

### **BACKGROUND**

#### **NeilMed and its SINUS RINSE Marks**

8. NeilMed is a well-known producer of pharmaceutical preparations for the treatment of nasal and sinus ailments. NeilMed has been engaged in the manufacture, distribution, and sale of such pharmaceutical preparations under the marks SINUS RINSE and NEILMED'S SINUS RINSE A COMPLETE SALINE NASAL RINSE KIT (Stylized) (collectively, "the SINUS RINSE Marks") since at least as early as May 1, 2000.

9. NeilMed's SINUS RINSE Marks are distinctive and serve to identify and indicate the source of NeilMed's products to the consuming public.

10. NeilMed heavily advertises and promotes its goods offered under the SINUS RINSE Marks, including on its website at *neilmed.com*. As a result of this long use and promotion, NeilMed has developed valuable goodwill in its SINUS RINSE Marks. The SINUS RINSE Marks are extremely well known and famous throughout the United States. The consuming public in the

1 United States widely recognizes and associates the SINUS RINSE Marks with NeilMed and its  
2 products.

3 11. NeilMed owns U.S. Trademark Application Ser. No. 78/449,153 for the mark  
4 NEILMED'S SINUS RINSE A COMPLETE SALINE NASAL RINSE KIT for use on  
5 "pharmaceutical preparations for the treatment of nasal and sinus ailments." The United States  
6 Patent and Trademark Office published the mark for opposition on October 25, 2005.

7 **Med-Systems' Activities That Create a Justiciable Controversy**

8 12. On information and belief, Med-Systems produces products for the treatment of  
9 nasal ailments, in direct competition with NeilMed. On information and belief, Med-Systems owns  
10 U.S. Trademark Registration No. 2,205,705 for the mark SINUCLEANSE (Stylized), for use on a  
11 "medical device used to open and irrigate nasal passages."

12 13. On or about December 27, 2005, Med-Systems filed a Notice of Opposition against  
13 NeilMed's U.S. Trademark Application Ser. No. 78,449,153. Med-Systems' Notice of Opposition  
14 alleged that "Applicant's proposed mark NEILMED'S SINUS RINSE A COMPLETE SALINE  
15 NASAL RINSE KIT should not be registered because it is causing widespread actual confusion  
16 with Med-Systems, Inc.'s earlier and competing SinuCleanse product ...."

17 14. Med-Systems alleged that the nature of the goods described in NeilMed's application  
18 and upon which NeilMed's mark is used "are not only similar but concomitant with those covered  
19 by Opposer's prior SinuCleanse registration and those goods with which SinuCleanse is in use."  
20 Med-Systems alleged that NeilMed's "'pharmaceutical preparations for the treatment of nasal and  
21 sinus ailments" ... are in fact 'medicals device [sic] used to open and irrigate nasal passages.'"

22 15. Med-Systems alleged that the "established and likely-to-continue trade channels for  
23 both Opposer's SinuCleanse product and Applicant's Sinus Rinse product are not only similar, but  
24 in many cases identical."

25 16. Med-Systems alleged that "the conditions under which and the buyers to whom sales  
26 are made favors a finding of likelihood of confusion."  
27  
28

1 17. Med-Systems alleged that “Opposer has received reports of widespread *actual*  
2 *confusion* among consumers between the SinuCleanse and Sinus Rinse products as to their source”  
3 (emphasis in original).

4 18. Med-Systems alleged that “SinuCleanse has achieved substantial fame due to large  
5 volumes of nationwide sales and advertising since 1997.”

6 19. Med-Systems alleged that “the extent of potential confusion is substantial.”

7 20. Med-Systems alleged that its mark SinuCleanse and NeilMed’s mark NEILMED’S  
8 SINUS RINSE A COMPLETE SALINE NASAL RINSE KIT (Stylized) “are strikingly similar in  
9 terms of appearance, sound, connotation, and commercial impression.”

10 21. Med-Systems alleged that the phrase “Sinus Rinse” is the dominant portion of  
11 NeilMed’s mark NEILMED’S SINUS RINSE A COMPLETE SALINE NASAL RINSE KIT  
12 (Stylized). Accordingly, Med-Systems’ allegations of likelihood of confusion apply equally to the  
13 SINUS RINSE mark and the NEILMED’S SINUS RINSE A COMPLETE SALINE NASAL  
14 RINSE KIT (Stylized) mark.

15 22. Med-Systems alleged that “Applicant’s selection and attempted registration of Sinus  
16 Rinse (as stylized) is part of a campaign to intentionally and willfully deceive the public and free  
17 ride on Opposer’s valuable goodwill.”

18 23. Med-Systems alleged that “Applicant’s proposed mark is likely to cause confusion,  
19 to cause mistake, or to deceive consumers as to the sponsorship or origin of Applicant’s and/or  
20 Opposer’s goods and services.”

21 24. Med-Systems’ Notice of Opposition alleged a prima facie case of trademark  
22 infringement against NeilMed.

## 23 **COUNT I**

### 24 **For Declaratory Judgment Against** 25 **Defendant’s Claim of Federal Trademark Infringement**

26 25. NeilMed restates and re-alleges paragraphs 1–23 of this Complaint as though fully  
27 set forth herein.  
28

28. Med-Systems is not entitled to injunctive relief or to any of the monetary remedies set forth in Section 35 of the Lanham Act, 15 U.S.C. § 1117 (including but not limited to profits, damages, costs, or attorneys' fees), for trademark infringement based on NeilMed's use of its SINUS RINSE Marks in connection with the advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments in the United States.

## Declaratory Judgment Against Defendant's Claim of Federal Trademark Dilution

31. MedSystems has engaged in conduct that gives rise to a reasonable apprehension on the part of NeilMed that it will face suit for trademark dilution under Section 43(c) of the Lanham Act, 15 U.S.C. § 1125(c), if NeilMed continues its activities, including its advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks.

32. Upon information and belief, Med-Systems' purported SinuCleanse mark is not famous.

1 33. NeilMed's above-referenced activities do not dilute the distinctive quality of Med-  
2 Systems' purported SinuCleanse mark.

3 34. Med-Systems is not entitled to injunctive relief or to any of the monetary remedies  
4 set forth in Section 35 of the Lanham Act, 15 U.S.C. § 1117 (including but not limited to profits,  
5 damages, costs, or attorneys' fees), for trademark dilution based on NeilMed's use of its SINUS  
6 RINSE Marks in connection with the advertising, promotion, and sale of pharmaceutical  
7 preparations for the treatment of nasal and sinus ailments in the United States.

8 35. A justiciable controversy exists between NeilMed and Med-Systems concerning  
9 NeilMed's lawful advertising, promotion, and sale of pharmaceutical preparations for the treatment  
10 of nasal and sinus ailments bearing the SINUS RINSE Marks.

### 11 **COUNT III**

#### 12 **Declaratory Judgment Against** 13 **Defendant's Claim of Federal Unfair Competition**

14 36. NeilMed repeats and re-alleges the allegations of paragraphs 1–35 of this Complaint  
15 as though fully set forth herein.

16 37. Med-Systems has engaged in conduct that gives rise to a reasonable apprehension on  
17 the part of NeilMed that it will face suit for unfair competition under Section 43(a) of the Lanham  
18 Act, 15 U.S.C. § 1125(a), if NeilMed continues its activities, including its advertising, promotion,  
19 and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the  
20 SINUS RINSE Marks.

21 38. NeilMed's above-referenced activities do not constitute unfair competition or  
22 infringement of Med-Systems' purported rights in the SinuCleanse mark under Section 43(a) of the  
23 Lanham Act, 15 U.S.C. § 1125(a).

24 39. Med-Systems is not entitled to injunctive relief or to any of the monetary remedies  
25 set forth in Section 35 of the Lanham Act, 15 U.S.C. § 1117 (including but not limited to profits,  
26 damages, costs, or attorneys' fees), for NeilMed's use of the SINUS RINSE Marks in connection  
27 with the advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal  
28 and sinus ailments in the United States.



40. A justiciable controversy exists between NeilMed and Med-Systems concerning NeilMed's lawful advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks.

#### COUNT IV

#### **Declaratory Judgment of Plaintiff's Right to Use the SINUS RINSE Marks on Pharmaceutical Preparations for the Treatment of Nasal and Sinus Ailments**

41. NeilMed repeats and re-alleges the allegations of paragraphs 1–40 of this Complaint as though fully set forth herein.

42. NeilMed is entitled to a declaration that it may use and register the SINUS RINSE Marks in connection with pharmaceutical preparations for the treatment of nasal and sinus ailments, and that Med-Systems is not entitled to enjoin or prevent such use or registration.

43. A justiciable controversy exists between NeilMed and Med-Systems concerning NeilMed's lawful advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff NeilMed Products, Inc. prays that the Court enter judgment:

1. In favor of NeilMed declaring that NeilMed's above-referenced conduct, including its advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks, does not constitute trademark infringement under Lanham Act § 32, 15 U.S.C. § 1114;

2. In favor of NeilMed declaring that NeilMed's above-referenced conduct, including its advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks, does not constitute trademark dilution under Lanham Act § 43(c), 15 U.S.C. § 1125(c);

3. In favor of NeilMed declaring that NeilMed's above-referenced conduct, including its advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks, does not constitute unfair competition, a false designation of origin, or false description under Lanham Act § 43(a), 15 U.S.C. § 1125(a);



3. In favor of NeilMed declaring that NeilMed's conduct, including its advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks, has not caused irreparable harm to Med-Systems;

4. In favor of NeilMed declaring that NeilMed's conduct, including its advertising, promotion, and sale of pharmaceutical preparations for the treatment of nasal and sinus ailments bearing the SINUS RINSE Marks, has not caused monetary damage to Med-Systems;

5. In favor of NeilMed declaring that NeilMed is entitled to use and register the SINUS RINSE Marks for pharmaceutical preparations for the treatment of nasal and sinus ailments, and that Med-Systems is not entitled to enjoin or prevent such use or registration;

6. In favor of NeilMed and against Med-Systems on all of NeilMed's claims;

7. Awarding NeilMed its attorneys' fees, costs and expenses pursuant to 15 U.S.C. § 1117; and

8. Awarding NeilMed such other relief as the Court may deem just and proper.

#### JURY DEMAND

NeilMed hereby demands a trial by jury on all issues.

Dated: February 13, 2006

FISH & RICHARDSON P.C.

By: 

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